GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:539
ANSWERED ON:23.02.2001
FALL IN PRICES OF TEA COFFEE RUBBER AND PEPPER
P.C. THOMAS

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether farmers of natural rubber, tea, coffee and pepper are in great difficulty due to steep fall in prices of their produces;

(b) if so, the details of price structure for each of these items during the last three years;

(c) whether the Government intend to help the farmers of these produces; and

(d) if so, the steps taken by the Government in this regard ?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (d) : A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 539 T
ANSWERED ON 23.2.2001 REGARDING FALL IN PRICES OF TEA, COFFEE, RUBBER AND PEPPER:

(a) & (b) : There has been a decline in the prices of tea and coffee and the growers of these commodities are not getting the same price as they were getting two years ago. While in respect of natural rubber there has been a marginal increase in the prices, in respect of prices of pepper there has been a significant improvement as is evident from the price structure of these commodities given below:-

(Rs./ Kg.)

Year	Natural Rubber	Tea	Coffee	Arabica	Robusta	Pepper+
1998	30	76	130	83		173
1999	30	73	115	79		206
2000	31	62	96	53		215

+ Prices of pepper are financial yearwise.

(c) & (d) : In order to stabilise the declining prices of Natural Rubber the Government of India have since August 1997 made a market intervention through STC for procurement of Natural Rubber on Government account.STC has so far procured 52,429 MT of Natural Rubber. To enhance the consumption of indigenous rubber Government has also imposed a ban on import of Natural Rubber under the Advance Licensce Scheme w.e.f. 20.2.1999. The procurement of Natural Rubber by STC is continuing for supply to ALHs against indents placed by them with STC.

With a view to help the growers of tea to come out of unremunerative price situation at the auctions Govt. has taken various steps which include implementation of a price subsidy scheme w.e.f. 1.5.2000 wherein subsidy for an amount equal to the shortfall between the auction price and Rs. 55 per kg, subject to a maximum of Rs. 8 per kg is provided to the small tea growers, implementation of quality upgradation programme in the Nilgiris Dist. of Tamilnadu and removal of the condition of obligatory sale of 75% of tea production through public tea auctions .

The fall in prices of coffee in the global and domestic market is due to surplus production of coffee. The Govt. of India has recently approved implementation of the Association of Coffee Producing Countries (ACPC) Retention Scheme for Coffeelt is hoped that the Plan which will be put in operation by the Coffee Board for a period of six months, will help in boosting the prices of coffee.